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SECTION 7 COSTS

7.1 SERVICE COSTS

The Bidder shall list all costs to the State to provide the services ordered through the CALNET-II contract awarded as a result of this RFP. The Bidder shall identify all costs in Exhibit 7-A. Only items listed in RFP Section 6 as Mandatory-Optional (M-O) and Desirable (D) shall be listed in Exhibit 7-A. All other services shall be considered Mandatory (M) and provided at no cost.

Cost will include all monthly recurring, non-recurring, usage, contract volume discounts, term pricing options, and non-recurring charges as applicable. Term pricing options will be limited to specifically designated services approved by the State. Any proposal for listed pricing is to include all elements necessary to configure an instance of working service (planning, application design, engineering, testing, wiring, termination, installation, and training) whether priced separately or bundled. Service elements without associated pricing will be considered no charge items. Therefore the Bidder should review all Section 7 cost exhibits carefully prior to final submission.

7.2 SERVICE TAXES, FEES AND SURCHARGES

Applicable taxes, fees, surcharges, and surcredits shall not be a component of the pricing proposed in Exhibit 7-A. Refer to Contract section 59 and RFP Section 6.2.3 for applicable requirements concerning taxes, fees, and surcharges.

7.3 COST TABLES

Bidders shall fill out Exhibit 7-A, Cost Tables, for all bid costs associated with this RFP. Note that Exhibit 7-A is also provided as a multiple sheet Microsoft Excel spreadsheet file. Bidders shall submit Exhibit 7-A per the instructions in RFP Section 8 for costs, (with dollar amounts only contained in the Final Proposal, and then within a separately sealed envelope). The submitted costs contained within these tables will be used for evaluation purposes per RFP Section 9.5.4, and will also be used to establish contracted costs and rates of the final awarded contract. Note that the quantity and extended cost values provided within the cost tables of Exhibit 7-A are for cost evaluation purposes only. The State's listing of quantities in these cost tables should not be interpreted by the Bidder to mean that the State expects the Bidder to receive orders for these quantities. The State makes no warranty and provides no guarantee of any quantities of actual orders. Bidders should not assume that these quantities, either as precise numbers or as general estimates, should be expected to reflect actual orders or conditions of service.

The definitions of the services requiring costing are provided in the individual referenced requirements of RFP Section 6. Further instructions and definitions pertinent to the costing of services are contained in the subsections below. Additional cost instructions applicable to the specific services are provided with the individual cost tables of Exhibit 7-A as necessary. Bidders are cautioned that they are not to add language to the cost tables, nor are they allowed to add cost elements, except where specifically stated in Exhibit 7-A, for example in the

“Desirable” (D) subtables. For these desirable tables, Bidders may add desirable features or service elements and their associated costs. These additional desirable features or elements added to the costs sheets by the Bidder must match the desirable feature or service element added by the Bidder in the associated Desirable table in RFP Section 6. Bidders are cautioned that desirable items priced above market or tariff rates will likely not be included in the contract.

If a service feature or element identified in RFP Section 6 is not specifically identified within Exhibit 7-A, it shall be provided by the Bidder at no additional charge, either with its associated Mandatory-Optional (M-O) item, or with its associated Desirable (D) item, when the item is ordered by the Customer. If the feature or element is part of a Mandatory (M) item, the feature or element shall also be provided at no cost with the Mandatory item.

Each cost submitted for voice services of RFP Section 6.3 and 6.4 shall be for statewide application, i.e., the cost to CALNET Customers for the service shall be the same statewide. Thus a voice line ordered for a location in Sacramento, shall be at the same cost for the same line ordered in Eureka regardless of whether or not the service had been previously delivered to a CALNET-I Customer in Eureka or not. Requests for exceptions for adjustments of one-time installation costs associated with an individual order may be submitted by the awarded Contractor to DGS/TD on an individual case basis per Contract section 70, Individual Case Basis (ICB) Pricing Option.

Costs submitted for data services of RFP Section 6.6 shall also be statewide, but to the general extent that the service was provided under CALNET-I. Thus, under CALNET-I if a data service was available within a particular city or metropolitan area, the equivalent of that data service as defined in RFP Section 6.6 shall be available under CALNET-II anywhere in that city or metropolitan area. Section 6.6 CALNET-II data services shall be offered throughout these State locations at the same cost to all CALNET-II Customers. Requests for exceptions for adjustments of one-time installation costs associated with an individual order may be submitted by the awarded Contractor to DGS/TD on an individual case basis per Contract section 70, Individual Case Basis (ICB) Pricing Option.

Cost considerations of Exhibit 7-A shall include the following:

Installation Charges:

Cost tables that include “N/A” in the “Nonrecurring” field are intended to designate services and features where the installation charges and related equipment are to be amortized by monthly recurring charges.

Change Charges:

Change charges shall only apply to modifications of existing services and features. Change charges shall not apply to disconnections unless site work is required. Multiple changes on one order (up to five changes) will be charged on a “per order” basis (one change charge for each group of five changes per service/feature type.) regardless of the

number of circuits on a single service order. Changes entered through the End-User on-line provisioning tool as described in RFP Section 6.13.1 shall be provided at no charge.

Expedite Charges:

Expedite charges shall apply to the installation of services that are requested by the Customer to be completed prior to the installation intervals identified in Section 6.15.9.

Installation and change charges shall not apply when transitioning Customers between CALNET-I and CALNET-II.